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## **Appropriations Committee Testimony in Response to the Governor's 2018-2019 Proposed Budget**

The Connecticut Association of Area Agencies on Aging (C4A) is an association comprised of five Area Agencies on Aging (AAA) providing a range of services to Connecticut's older residents and individuals of all ages who are eligible for Medicaid and/or Medicare. C4A members administer programs and funds under the Older Americans Act, Medicaid waivers, State Respite Care programs and Money Follows the Person (MFP). AAAs play a major role in helping consumers successfully navigate the complex medical and social service systems.

C4A appreciates this opportunity to comment on budget proposal. Although any cut proposes a challenge, C4A will limit testimony to proposals that seem to be contrary to the State's Medicaid rebalancing goals and the court-mandated assurance that Connecticut's residents have the opportunity to live in the least restrictive environment of their choice.

### **Reset Eligibility Levels for the Medicare Savings Program (MSP)**

Medicare Savings Program, MSP, helps to pay some of the out of pocket costs of Medicare. There are three levels of the program that are based on income. All three levels pay for the Medicare Part B premium. The current *monthly* income guidelines are as follows:

- QMB - \$2,088.90 for a single person and \$2,816.85 for a couple
- SLMB - \$2,286.90 for a single person and \$3,083.85 for a couple
- ALMB - \$2,435.40 for a single person and \$3,284.10 for a couple

All three levels automatically enroll the client in the Low Income Subsidy (LIS), also called "Extra Help". The LIS pays the full cost of a Medicare Part D (prescription

coverage) benchmark plan or a portion of a non-benchmark plan, yearly deductibles and co-insurance or co-pays. Only residents eligible for QMB, the most restrictive income level, receive cover the costs of the deductibles or co-pays of Medicare Part A and Medicare Part B up to the Medicaid approved rate. This program fills the gap for seniors on a fixed income with no means to pay for high co-pays, prescriptions that may not be routinely covered by formulary or when they are in the “donut hole”. The MSP helps ensure coverage for residents that encourage healthcare activities, tests and proper medication regimes that reduce hospital recidivism, minimize accidents and illness and avoid premature institutional placement. Making clients responsible for 100% of their co-pays and co-insurance will increase monthly expenses by hundreds of dollars for a cohort that is still the median federal income level at the ALMB maximum income of \$2,435.40 per month and faces above average medical expense. Assets are not part of the eligibility equation and may offer a sound compromise to reduce cost without jeopardizing the healthcare of fixed income seniors and persons with disabilities.

#### **Maintain Caseload Level of Category Two of the Connecticut Home Care Program for Elders (CHCPE)**

The Connecticut Home Care Program for Elders (CHCPE) provides community-based long term care services to individuals who, without community services, would require nursing home level of care. Clients must meet both a financial and functional eligibility criteria in order to receive home health and community services. The program is credited with the successful diversion of 16,222 (April 2016) residents. Of those residents, 2,420 clients were “state-funded, category 2”. The Governor’s proposal would cap participation in the program at the current level.

Category Two, state-funded clients have the same functional requirements- they must need assistance with at least three activities of daily living (bathing, dressing, eating, ambulating, toileting) and be designated *at nursing home level of care*. The income requirements for these clients are the same as Medicaid –funded participants; however, the state-funded clients may have assets of no greater than \$36,270 for a single applicant and \$48,360 per couple. In reality, the majority of the state-funded clients have assets at or below \$15,000 despite the more generous eligibility criteria.

This could be any elderly neighbor you know. She may be a product of hard-working, middle class who saved for retirement, owns a modest home and may have lived

beyond her expectations to her mid-eighties. She thinks she must keep her minimal savings because she knows that if her roof goes or if she has a serious health problem and needs short term rehabilitation, the lack of asset may leave her homeless or without options for care. Asking her to spend down to a maximum asset of \$1,600 to qualify for the Medicaid portion of the CHCPE accelerates her eligibility on Medicaid but jeopardizes her ability to maintain her home and her independence.

The state-funded portion of the CT Home Care Program offers a thoughtful spend down for a low income resident in need of home care while foregoing more expensive nursing home care. The Department of Social Services 2014 *Report to the Appropriations Committee* states the average monthly cost per client on the State Funded portion of the CT Home Care Program was \$ 1,062 as compared to the Medicaid Nursing Home reimbursement of between \$5,100 and \$5,800 per month. In addition, state-funded clients repay 9% of the cost of their services each month (cost share). Missing from the equation is the *recoupment*. Recoupment is repayment of the cost of services paid by the State, upon the distribution of the client's estate after death. Many state-funded clients own modest homes. For home owners, the recoupment will almost always return 100% of the cost of services to the State upon the sale of their home as part of the probate process. This recoupment is not included in the DSS analysis. Assuming that the Department of Administrative Services is following through on the request for recoupment, the question becomes how much is the State truly saving (if at all) by capping state-funded participation? Without considering recoupment, the legislature is reviewing a false presentment of the savings achieved by capping Category Two, state-funded CHCPE.

### **Shift Funding of the Social Service Block Grant**

Since 2012, the Social Service Block Grant has supported home delivered meals for some of Connecticut's poorest, oldest citizens. Approximately \$450,000 has been allocated to pay for the meals that a homebound elder receives through the regional Area Agencies on Aging and their partners called Elderly Nutrition Projects. As we have seen in almost every region, the increased demand for food coupled with the increased unit costs for the meals has lead to fewer meals available for distribution. In some

regions, reductions have been made to the number of days an elder can receive their meals. In other regions, wait lists have formed. The proposed reduction in SSBG will have a direct correlation to a reduced number of meals available in communities across Connecticut.

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